

## **IMPORTANT CHANGES TO THE SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM (FORMERLY THE FOOD STAMP PROGRAM)**

### **PAPER COUPONS WILL BE DEOBLIGATED BY JUNE 17, 2009**

Public Law 110-246, the Food, Conservation and Energy Act of 2008 (otherwise known as the Farm Bill) renamed the Food Stamp Program to the Supplemental Nutrition Assistance Program (SNAP) as of October 1, 2008.

This change was made in recognition of the fact that program participants access their nutrition benefits with Electronic Benefit Transaction (EBT) cards – not stamps or coupons. In addition, the new name better reflects the U.S. Department of Agriculture's mission to provide food and nutrition assistance to eligible recipients and to improve the health and well being of low-income Americans.

The law also makes several other Program changes that affect retailers and financial institutions with regard to the acceptance and redemption of paper food coupons. For many years, EBT cards have been the most widely used method of distributing program benefits, although some recipients still occasionally used paper coupons. The law now prohibits States from issuing paper coupons (as of June 18, 2008) and requires that EBT cards be the sole method of benefit delivery. The law also de-obligates paper coupons as legal tender one year from the date of enactment.

After June 17, 2009, retailers may no longer accept paper coupons for food purchases from program recipients. Retailers will then have 30 days (until July 17, 2009) to redeem any remaining paper coupons in their possession. Retailers should redeem any remaining paper coupons at their bank using a Redemption Certificate, or they can make a claim for the paper coupons at their local Food and Nutrition Service Field Office, by July 17, 2009.

Financial institutions will have 60 days from the final redemption date to submit properly redeemed paper coupons to the Federal Reserve for credit (until September 17, 2009). Normal redemption procedures should be used; Redemption Certificates from retailers as well as Food Coupon Deposit Documents should be submitted to the Memphis Branch of the Federal Reserve Bank of St. Louis which redeems food coupons on behalf of all Reserve Banks. Please click on [http://www.frbsecurities.org/files/regulations/pdf/operating\\_circular\\_2.pdf](http://www.frbsecurities.org/files/regulations/pdf/operating_circular_2.pdf) for any instructions you may need in order to deposit remaining paper food coupons with the Federal Reserve.

#### **Summary of key dates:**

- **June 18, 2008 – States stopped issuing paper food coupons**
- **June 17, 2009 – Retailers must stop accepting paper food coupons from recipients**
- **July 17, 2009 – Banks must stop accepting Redemption Certificates (RCs) and paper food coupons from retailers**
- **September 17, 2009 – Federal Reserve Banks stop accepting RCs and Food Coupon Deposit Documents from banks**

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